

On-Screen USA Interactive, Inc.

Modesto, CA MSA #142B  
Wheeling, WV-OH MSA #178A  
Racine, WI MSA #189A

Premier Interactive, Inc.

Salina, CA MSA #126B  
Roanoke, VA MSA #157B  
Yakima, WA MSA #191B

Remote Vision Interactive, Inc.

Akron, OH MSA #52B  
Duluth, MN/WI MSA #141B  
Billings, MT MSA #268A

## CERTIFICATE OF SERVICE

I, Tracy Powell, hereby certify that a true copy of the foregoing Reply Comments of the IVDS Licensees was served by first-class U.S. mail, postage pre-paid, on each of the parties listed below this 11th day of July, 1995.

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J. JEFFREY CRAVEN

January 25, 1996

Mr. William F. Caton  
Secretary  
Federal Communication Commission  
1919 M Street, NW  
Washington, DC 20554

Robert McNamara, Esquire  
Federal Communication Commission  
2025 M Street, NW  
Washington, DC 20554

Re: Request for Clarification  
of IVDS Ownership Rules

Dear Sirs:

We represent a number of IVDS licensees, some of whom have been approached about leasing a portion of their spectrum to a holding company which may also seek the right to lease IVDS spectrum from the other licensee in the same MSA.

We are mindful that Section 95.813(b)(1) of the Commission's rules provides, in part, that:

No entity is eligible to hold an IVDS system license if: (i) the entity already holds an IVDS system license or has an interest in an IVDS system license for the same service area.

In addition, we note the Commission's admonition that it will "consider an entity to have an interest in an IVDS application or license if it has any ownership interest... direct or indirect financial interest or can exercise actual or de facto management control." 7 FCC Rcd 4923 (1994).

Finally, we are also aware that the Commission has taken the position that "(w)e do not consider an entity that receives only royalty payments or a license fee for the use of its technology as having an interest in an application or license". Id.

Mr. William F. Caton  
Robert McNamara, Esq.  
January 25, 1996  
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Based upon the foregoing, we interpret the Commission's rules to permit the proposed spectrum lease arrangement. In our view, the fact that both the A and B licensees may be leasing access to their spectrum to the same holding company, should not be prescribed, even if one licensee in a market would arguably have an indirect connection with the other licensee by virtue of the fact that its lease revenues will be coming from the same source. However, out of an abundance of caution, we request your written confirmation that the Commission is of the same view. Therefore, we first request written confirmation that the prohibition against "indirect financial interest" would not be violated by this proposed arrangement.

As a second matter, there is a possibility of both the A and B licensees owning an interest in the holding company, while retaining 100% ownership of and control over their individual licenses. We also believe that this arrangement is also consistent with the Communication's Rules since each licensee continues to own and control its license.

In addition, permitting such leasing would enhance the IVDS industry's access to capital and would thereby expedite the development of this spectrum through provision of new or expanded services to the public. We request your promptest response to our request since it could assist in the early development of these systems. We are prepared to meet with you to discuss these requests.

Thank you.

Respectfully submitted,



J. Jeffrey Craven